

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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DATE: MAY 7, 2004
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: Agenda Item #9 -- LAFCO 2954 – City of Fontana Annexation
No. 156**

INITIATED BY:

City Council Resolution, City of Fontana

RECOMMENDATION:

1. Certify that the Commission has reviewed and considered the City's environmental assessment for this proposal, take the actions identified in the staff report, and direct the Clerk to file a Notice of Determination within five days;
2. Expand the proposal presented to include the seven (7) additional lots fronting Mission Street and approve LAFCO #2954, as modified, including the standard conditions of approval; and,
3. Adopt LAFCO Resolution #2818, setting forth the Commission's findings, determinations, and conditions of approval.

BACKGROUND INFORMATION:

The City of Fontana has submitted a proposal to annex approximately 3.57 acres, initiated by City Council resolution. The study area is generally located on the south side of Foothill Blvd., at its southwestern intersection with Tokay Avenue. The area is generally bordered by Foothill Blvd. (existing City Boundary) on the north, the centerline of Tokay Avenue (existing City boundaries) on the east, a combination of Mission Street and the alley backing the parcels fronting Foothill Blvd. on the south, and a

combination of the alley and Catawba Street on the west. The area is within the City of Fontana's western central sphere of influence. Attachment #1 includes maps of the area under consideration.

The area proposed for annexation by the City is primarily vacant land; along the Foothill Blvd. frontage, the developed parcels include Sonora Tires and Global Realty, while along Tokay Ave. the corner of Mission Street and Tokay Ave. is occupied by a single-family residential unit. The City of Fontana has recently acquired title to the two parcels located at the southwestern corner of Tokay Ave. and Foothill Blvd. and has demolished the two buildings that had occupied the site, a former liquor store and a residential unit. Surrounding land uses include vacant lands to the north (within the City), to the east is an Albertson's shopping center known as Citrus Center (within the City), to the south (within the unincorporated area) are residential uses and to the west (within the unincorporated area) are commercial uses along Foothill Blvd. and scattered residential southerly of Mission Street.

As the staff began its review of this application, it was its determination that the annexation, as presented, would not provide for an effective service boundary for the City and its service providers. The use of the alley as a division line between jurisdictions may cause confusion and is not easily recognizable. On the basis of this finding, staff has proposed the expansion of this proposal to include the seven parcels that front Mission Street, southerly of the alley used for the City's proposed boundary, and easterly of Catawba Street. These parcels are currently developed with single-family residential homes; they have been included as a part of the pre-zoning process conducted by the City of Fontana, but have not been included in the property tax transfer process. The legal ad and notices sent to individual voters and landowners inside and surrounding the area have outlined the staff's expansion of this proposal.

The City of Fontana pre-zoned the original annexation proposal and the staff's expansion of the study area (Zone Change #03-10) which identified the project as "Annexation No. 156/Pre-Zoning/Foothill Boulevard Street Improvement Project". The pre-zoning identifies Commercial uses along the Foothill Blvd. and Tokay Ave. frontages (C-3 General Commercial) and single-family residential uses (R-1) for the eight parcels along Mission Street. The residential land use designation allows for a minimum 6,000 square foot lot size, with the average at 7,200 square feet. The General Commercial designation would allow for a wide range of retailing, wholesaling, and service activities including "heavier" commercial uses that might be restricted within other commercial zones. These designations are

consistent with the City General Plan for the study area which is CG (General Commercial) and R-SF (single-family residential).

In April 2004, the City of Fontana adopted its updated Zoning Map through Ordinance 04-01, which now assigns the commercial areas along the Foothill Corridor a C-2 General Commercial designation. This change in zone designation represents a consolidation of the City's three commercial zone classifications into two and the creation of a Regional Mixed Use zone. Ordinance 04-01 pre-zones the sphere of influence area, including the area currently under consideration by the Commission. The new C-2 designation is defined as "Zoning district that accommodates a wider range of commercial activities than the C-1 Zone, including retail and wholesale activities, automobile-related sales and services, offices and businesses providing administrative and professional services, and medical offices and clinics."

In addition, this area is included in the City's updated General Plan with a Boulevard Overlay. The purpose of this overlay is to stimulate the consolidation of smaller lots to allow for a more consolidated, larger commercial project and works in conjunction with the underlying land use designation. The City has assigned this overlay to the major thoroughfares under its jurisdiction, Foothill Boulevard, Arrow Highway and Sierra Avenue.

The County of San Bernardino land use designation for the entire study area is General Commercial with an Improvement Level designation of "1" requiring the highest level and intensity of improvements. Development of the site under this designation would require the connection to a public sewer system, a service only available from the City of Fontana in this area.

The City of Fontana has submitted a plan for the extension of municipal services as required by law, and that Plan is attached to this report for Commission review. The Plan in general identifies the following:

- Sewage collection services can be readily extended into the annexation area. These facilities would be extended to future development at property owner expense. The City of Fontana will be responsible for wastewater collection, while treatment will be provided by the Inland Empire Utilities Agency at Regional Plant No. 1 located in Ontario.
- Water service has and will be provided by the Fontana Water Company. The area is within the certificated service area assigned by the PUC for this entity. Water facilities will be extended to future development in the area at property owner expense.

- Fire protection and paramedic services are currently provided by the Central Valley Fire Protection District, which will continue to serve the site following annexation. The County Fire Agency has indicated its concern on the potential loss of revenues attributable to County Service Area 70 for the support of fire administration (included as Attachment #3).
- Law enforcement responsibilities will shift from the County Sheriff's Department to the City of Fontana. The City indicates that its police department has sufficient personnel and equipment to immediately extend service to the study area.
- The only financial effect based upon the annexation to existing residents of the area would be 5% utility tax levied by the City of Fontana on all utility services. In June 2001, the City of Fontana reduced the Utility User Tax for electricity to 4%. The City provides exemption or reduction procedures for low-income and senior citizen households. However, the utility tax will expire for residential uses in June 2004 (prior to the expected completion of this annexation); it will expire for non-residential uses in June 2009.

The City of Fontana has conducted the environmental assessment for pre-zoning (Zone Change #03-10) the entire 5 acre site and the annexation of the 3.57 acre study area. The assessment has been reviewed by the Commission's environmental consultant, Tom Dodson and Associates. Mr. Dodson has determined that the City documents are adequate for Commission use, and his response is attached to this staff report. Mr. Dodson has indicated that the necessary environmental actions to be taken by the Commission, as a responsible agency under CEQA, are as follows:

- a. Indicate that the Commission has reviewed and considered the environmental assessment and Mitigated Negative Declaration certified by the City of Fontana;
- b. Determine that these environmental documents are adequate for the Commission's use in making its decision related to the expanded annexation;
- c. Determine that the Commission does not intend to adopt alternatives for this expanded project, and that mitigation required by the City of Fontana included in the City's environmental documents are the responsibility of the City, not the Commission; and,

- d. Direct the Clerk to file a Notice of Determination within five days.

FINDINGS:

The following findings are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/ reorganization proposal. Where appropriate, the information is presented for both the City's submitted application and the staff's expansion of the proposal:

1. State law indicates that an area containing 12 or more registered voters is considered to be "legally inhabited." The Registrar of Voters Office has determined that the original annexation area is legally uninhabited, containing 3 registered voters. As of March 4, 2004, the Registrar of Voters Office determined that the expansion area contained 7 registered voters, making the expanded proposal uninhabited.
2. The County Assessor has determined that the assessed value of land and improvements within the original annexation is \$619,208 (land \$355,849; improvements \$263,359). The expansion area is valued at \$553,303 (land \$165,672; improvements \$387,631). The total assessed value of the expanded proposal is \$1,172,511 (land \$521,521; improvements \$650,990).
3. Commission review of this proposal has been advertised in *The Sun*, and *The Herald News*, newspapers of general circulation within the study area.
4. LAFCO staff has also provided an individual notice to the landowners and registered voters within the annexation area (23) and to landowners and voters surrounding the study area (159) in accordance with state law and adopted Commission policies. These notices identified the staff's expansion of the proposal and included maps of the original proposal and the expansion. To date, no comments or protest have been received to the notices provided regarding the consideration of this proposal.
5. The City of Fontana has pre-zoned the expanded study area for general commercial uses along Foothill Blvd. (C-2), and single-family residential uses (R-1) along Mission Street. These zoning designations conform to the adopted General Plan for the City of Fontana, and are consistent with surrounding land uses. Pursuant to the provisions of Government Code Section 56375(e), this zoning designation shall

remain in effect for two years following annexation unless specific actions are taken by the City Council.

6. As a function of its review of Pre-zoning, the City of Fontana acted as the lead agency for the environmental assessment for the annexation proposal. The Commission's environmental consultant, Tom Dodson and Associates, has reviewed the City of Fontana's Initial Study and Mitigated Negative Declaration and determined that they are adequate for the Commission's review of the proposed annexation as a responsible agency. A copy of the City's environmental assessment and Mr. Dodson's response are attached for the Commission's review. The necessary actions to be taken by the Commission, as a responsible agency under CEQA, are listed in the narrative section of this report.
7. The area in question is presently served by the following local agencies:

County of San Bernardino
Metropolitan Water District of Southern California
Inland Empire West Resource Conservation District
Inland Empire Utilities Agency and its Improvement District C
Central Valley Fire Protection District
County Service Area SL-1 (Streetlighting)
County Service Area 70 (multi-function unincorporated area)

Detachment of CSA SL-1 and CSA 70 will automatically occur upon successful completion of this proposal. None of the other agencies are affected by this proposal.

8. The City of Fontana has submitted a plan for the extension of municipal services to the study area, as originally submitted, as required by law. This plan is attached for Commission review, and indicates that the City can maintain and improve the level and range of services currently available in the area.

Through the staff's expansion of this proposal, there may be minimal increases in service demands upon the City. Water service is currently provided by the Fontana Water Company, and fire protection and paramedic services are provided by the Central Valley Fire Protection District. These services will remain unchanged through annexation process. Law enforcement requirements will increase minimally due to the addition of the seven dwelling units.

9. The annexation proposal complies with Commission policies that indicate the preference for areas proposed for development at an urban-level land use to be included within a City so that the full range of municipal services can be planned, funded, extended and maintained. In addition, the expansion of the proposal, establishing the boundaries at the centerlines of Catawba and Mission Street, provides for a more readily recognizable division of jurisdiction.
10. The study area can benefit from the availability and extension of municipal services from the City of Fontana.
11. This proposal, as presented by the City, will not assist the City's ability to achieve its fair share of the regional housing needs based upon the anticipated commercial land uses for vacant lands. The expansion of the proposal will not assist the City's ability since it includes currently developed lands.
12. The County of San Bernardino and the City of Fontana have successfully negotiated a transfer of property tax revenues that will be implemented upon completion of this annexation, as originally submitted. This fulfills the requirements of Section 99 of the Revenue and Taxation Code. If the proposal is expanded by the Commission, a renegotiation of this property tax distribution would need to be requested by one of the parties and completed within the timeframe outlined in Section 99 of the Revenue and Taxation Code.
13. The map and legal description, as revised, are in substantial compliance with LAFCO and state standards through certification by the County Surveyor's Office.

CONCLUSION:

The City of Fontana application indicates that it has three reasons for requesting annexation. These reasons remain valid, and in the staff view are enhanced, through the expansion of the proposal:

1. *To install street improvements along Foothill Blvd. for the purpose of improving traffic flow.*

The improvements identified in the project include the Foothill Blvd. roadway from Tokay Ave. to Almeria Ave., installation of signals, etc. Item #8 on the Commission's agenda outlined the relinquishment of service obligations by CALTRANS for Foothill Blvd to the City. The

relinquishment project extends from East Ave. to Maple Ave., so the City now has full responsibility for this roadway.

2. *The City recently purchased three structures (one commercial store and two dwelling units) at the southwest corner of Foothill Blvd. and Tokay Ave. These structures have been razed to enable the installation of road improvements and traffic signals at Foothill Blvd. and Tokay Ave.*

As noted above, through the relinquishment of responsibility for Foothill Blvd. to the City by CALTRANS, the obligations for improvements to this roadway are now the responsibility of the City. In the staff's view, through extension of the annexation boundaries to the centerlines of the surrounding streets, overall roadway improvement responsibilities are clarified.

3. *The annexation will "square off" the City's boundaries at this major intersection, thereby reducing confusion associated with City and County jurisdictional boundaries.*

Through the elimination of the use of the alley as a dividing line between City and County jurisdiction, a more easily recognizable boundary for the primary providers of service to a location – police, fire, ambulance – is provided. The expansion of the proposal will allow for a clearer division of responsibility for all levels of municipal service providers.

For the reasons outlined above, and within the staff report narrative, staff is recommending that the Commission expand the proposal to include the additional seven parcels and forward it for protest proceedings to allow the landowners to officially decide the question of annexation.

Attachments:

1. Maps of Vicinity, Original Annexation Area, and LAFCO Staff Proposed Expansion
2. City Application and Plan for Services
3. County Fire Response
4. Response from Tom Dodson and Associates and City Environmental Documents
5. Draft Resolution #2818